

Notice: Fill out COMPLETELY and return to Conservation Division at the address below within 60 days from plugging date.

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
WELL PLUGGING RECORD  
K.A.R. 82-3-117

Form CP-4  
December 2003  
Type or Print on this Form  
Form must be Signed  
All blanks must be Filled

Lease Operator: Palomino Petroleum, Inc.  
Address: 4924 SE 84th, Newton, KS 67114  
Phone: (316) 799-1000 Operator License #: 30742  
Type of Well: O&G & A Docket #: \_\_\_\_\_  
(Oil, Gas D&A, SWD, ENHR, Water Supply Well, Cathodic, Other) (If SWD or ENHR)  
The plugging proposal was approved on: 06-29-06 (Date)  
by: Herb Deines (KCC District Agent's Name)  
Is ACO-1 filed?  Yes  No If not, is well log attached?  Yes  No  
Producing Formation(s): List All (if needed attach another sheet)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ Depth to Top: \_\_\_\_\_ Bottom: \_\_\_\_\_ T.D. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ Depth to Top: \_\_\_\_\_ Bottom: \_\_\_\_\_ T.D. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ Depth to Top: \_\_\_\_\_ Bottom: \_\_\_\_\_ T.D. \_\_\_\_\_

API Number: 15 - 195-22366-00-00  
Lease Name: HB Ranch  
Well Number: 1  
Spot Location (QQQQ): 60'N - 50'W - N/2 - S/2-SW  
1050 Feet from  North /  South Section Line  
1270 Feet from  East /  West Section Line  
Sec. 25 Twp. 15 S. R. 22  East  West  
County: Trego  
Date Well Completed: D & A  
Plugging Commenced: 06-29-06  
Plugging Completed: 06-29-06

Show depth and thickness of all water, oil and gas formations.

Oil, Gas or Water Records		Casing Record (Surface Conductor & Production)				
Formation	Content	From	To	Size	Put In	Pulled Out
*see attached drilling report	<u>Surf</u>	0'	224'	8 5/8" new 23#	212'	0'

Describe in detail the manner in which the well is plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same depth placed from (bottom), to (top) for each plug set.

Plug well with 200 sacks of 60/40 Poz, 6% gel, 1/4# floesal per sack.  
1st plug @ 1800' with 25 sacks. 2nd plug @ 925' with 100 sacks. 3rd plug @ 275' with 40 sacks.  
4th plug @ 10 sacks to surface. Plug rat hole with 15 sacks. Plug mouse hole with 10 sacks.  
Job complete @ 3:45 pm on 06-29-06 by Allied Cementing (tk #25048).

Name of Plugging Contractor: Southwind Drilling, Inc. License #: 33350  
Address: PO Box 276, Ellinwood, KS 67526

Name of Party Responsible for Plugging Fees: Palomino Petroleum, Inc.  
State of Kansas County, Barton, ss.

Todd E. Morgenstern, VP/OP of Southwind Drilling, Inc. (Employee of Operator) or (Operator) on above-described well, being first duly sworn on oath, says: That I have knowledge of the facts statements, and matters herein contained, and the log of the above-described well is as filed, and the same are true and correct, so help me God.

(Signature) Todd E. Morgenstern  
(Address) PO Box 276, Ellinwood, KS 67526



SUBSCRIBED and SWORN TO before me this 5 day of July, 20 06  
Renee Kasselmann My Commission Expires: 7-15-09  
Notary Public

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KCC WICHITA

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

ACT

SOUTHWIND DRILLING, INC. PLUGGING ORDERS AND REPORTS

PALOMINO PETROLEUM

Lease: HB RANCH #1

Plugging received from: Herb Deines Date: 06-29 Time: 7:30 AM

1<sup>st</sup> Plug @ 1800 FT. 25 SX Stands: 29

2<sup>nd</sup> Plug @ 925 FT. 100 SX Stands: 15

3<sup>rd</sup> Plug @ 275 FT. 40 SX Stands: 4 1/2

4<sup>th</sup> Plug @ 40 FT. 10 SX Stands: 1

5<sup>th</sup> Plug @ \_\_\_\_\_ FT. \_\_\_\_\_ SX Stands: \_\_\_\_\_

Mousehole 10 SX

Rathole 15 SX

Total Cement used: 200 SX

Type of cement: 60/40 POZ 690 GFL 1/4" FLOSEAL PER SX

Plug down at 3:45 PM 06-29-06 By Allied Ticket #25048

Call State When Completed:

Name Jay Pfeifer DISTRICT #4 Date: 06-29 Time: ~~3:45~~ 4:45 PM

TREGO COUNTY SEC. 25 TWP 15 R. 22

API # 15-195-22366

RTD = 4400 LTD = 4402

FORMATION @ TD = MISSISSIPPI

ANHYDRITE = 1774 to 1816

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KCC WICHITA

# SOUTHWIND DRILLING, INC.

## RIG #1

PO Box 276, Ellinwood, KS 67526  
Office Phone 620-564-3800, Fax 620-564-3845

### DRILLING REPORT

HB Ranch #1

Location: 1050' FSL & 1270' FWL  
API#: 15-195-22366-00-00

Section 25-15S-22W  
Trego County, Kansas

OWNER: \_\_\_\_\_ : Palomino Petroleum, Inc.  
CONTRACTOR: Southwind Drilling, Inc. Rig #1

COMMENCED: 06-22-06  
COMPLETED: 06-29-06

TOTAL DEPTH: Driller: 4400'  
Logger: 4402

Ground Elevation: 2412'  
KB Elevation: 2422'

### LOG :

0'	-	1400'	Lime/Shale
1400'	-	1754'	Sand/Shale
1754'	-	1866'	Anhydrite
1866'	-	4400'	Shale
		4400'	RTD

### CASING RECORDS

#### Surface casing – 8 5/8"

Ran 5 joints of 23# new 8 5/8" surface casing. Tally @ 212'. Set @ 224'. Cement with 160 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 1:00 am on 06-23-06 by Quality Cement (tk #1021).

#### Production casing – 5 1/2"

None- plugged the well

### DEVIATION SURVEYS

3/4 degree (s)	@	227'
3/4 degree (s)	@	4400'

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MORNING DRILLING REPORT				Fax to: 316-799-2728			
Southwind Drilling, Inc. P.O. Box 276 112 North Main Ellinwood, KS 67526		Wellsite Geologist: Bob Schreiber 620-786-0991 (mobile) 620-653-7691 (home)		WELL NAME		HB Ranch #1	
				LOCATION		1050' FSL & 1270' FWL Sec. 25-15S-22W Trego County, KS	
Rig #1 Phone Numbers		IN USE		Palomino Petroleum, Inc. 4924 SE 84 <sup>th</sup> Newton, KS 67114 316-799-1000			
620-794-2075	Rig Cellular (Dog house)	Yes					
620-794-2078	Geologist Trailer Cellular	Yes					
620-617-7324	Tool Pusher Cellular	Yes	Doug Roberts	ELEVATION	G.L. 2412'	K.B. 2422'	API# 15-195-22366-00-00

**Driving Directions:** From Ness/Trego County Line on Hwy 147: 1 ¼ miles North, East into.

Day 1 Date 06-22-06 Thursday Survey @ 227' = ¾ degree

Moved Rig #1 on location

Spud @ 6:30 pm

Ran 2.75 hours drilling (.75 drill rat hole, 2.00 drill 12 ¼). Down 21.25 hours (10.75 move/ rig up, 1.25 connection, .50 lost circulation @ 103', .25 CTCH .25 trip, .25 survey, .25 jet, .75 run casing, .25 circulate, .50 cement, .25 rig repair, 6.00 wait on cement)

Mud properties: spud mud

Daily Mud Cost = \$0.00. Mud Cost to Date = \$0.00

Wt. on bit: all, 100 RPM, 500# pump pressure

12 ¼" bit #1 (in @ 0' out @ 227') = 2.00 hrs - 227'

1" fuel = 37.75 gals.

Fuel usage: 37.75 gals. (24" used 1") start @ 25"

Ran 5 joints of 23# new 8 5/8" surface casing. Tally @ 212'. Set @ 224'. Cement with 160 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 1:00 am on 06-23-06 by Quality Cement (tk #1021).

Day 2 Date 06-23-06 Friday Anhydrite (1754'-1866')

7:00 am - Waiting on cement @ 227'

Ran 16.50 hours drilling. Down 7.50 hours (.50 rig check, .75 rig repair, 2.00 wait on cement, .50 drill plug, 1.00 jet, 2.75 connection)

Mud properties: freshwater

Daily Mud Cost = \$1,246.80. Mud Cost to Date = \$1,246.80

Wt. on bit: 35,000, 80 RPM, 800# pump pressure

12 ¼" bit #1 (in @ 0' out @ 227') = 2.00 hrs - 227'

7 7/8" bit #1 (in @ 227') = 16.50 hrs. - 1628'

Fuel usage: 226.50 gals. (77" used 6") 24" + 59" delivered = 83"

Day 3 Date 06-24-06 Saturday

7:00 am - Drilling @ 1855'

Ran 20.00 hours drilling. Down 4.00 hours (.75 rig check, 1.00 jet, 2.25 connection)

Mud properties: freshwater

Daily Mud Cost = \$0.00. Mud Cost to Date = \$1,246.80

Wt. on bit: 35,000, 80 RPM, 800# pump pressure

12 ¼" bit #1 (in @ 0' out @ 227') = 2.00 hrs - 227'

7 7/8" bit #1 (in @ 227') = 36.50 hrs. - 2663'

Fuel usage: 377.50 gals. (67" used 10")

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MORNING DRILLING REPORT				Fax to: 316-799-2728			
Southwind Drilling, Inc. PØ Box 276 112 North Main Ellinwood, KS 67526		Wellsite Geologist: Bob Schreiber 620-786-0991 (mobile) 620-653-7691 (home)		WELL NAME		HB Ranch #1	
				LOCATION		1050' FSL & 1270' FWL Sec. 25-15S-22W Trego County, KS	
Rig #1 Phone Numbers		IN USE		Palomino Petroleum, Inc. 4924 SE 84 <sup>th</sup> Newton, KS 67114 316-799-1000			
620-794-2075	Rig Cellular (Dog house)	Yes					
620-794-2078	Geologist Trailer Cellular	Yes					
620-617-7324	Tool Pusher Cellular	Yes	Doug Roberts	ELEVATION	G.L. 2412'	K.B. 2422'	API# 15-195-22366-00-00

**Driving Directions:** From Ness/Trego County Line on Hwy 147: 1 ¼ miles North, East into.

Day 4 Date 06-25-06 Sunday

7:00 am – Drilling @ 2890'  
Ran 21.00 hours drilling. Down 3.00 hours (.75 rig check, 1.50 jet, .75 connection)  
Mud properties: wt. 8.7, vis. 50  
Daily Mud Cost = \$0.00. Mud Cost to Date = \$1,246.80  
Wt. on bit: 35,000, 80 RPM, 950# pump pressure  
12 ¼" bit #1 (in @ 0' out @ 227') = 2.00 hrs - 227'  
7 7/8" bit #1 (in @ 227') = 57.50 hrs. - 3258'

Fuel usage: 377.50 gals. (57"used 10")

Day 5 Date 06-26-06 Monday

7:00 am – Drilling @ 3485'  
Ran 21.75 hours drilling. Down 2.25 hours (.75 rig check, 1.50 connection)  
Mud properties: wt. 9.0, vis. 49  
Daily Mud Cost = \$3,204.72. Mud Cost to Date = \$4,451.52  
Wt. on bit: 35,000, 80 RPM, 900# pump pressure  
12 ¼" bit #1 (in @ 0' out @ 227') = 2.00 hrs - 227'  
7 7/8" bit #1 (in @ 227') = 79.25 hrs. - 3773'

Fuel usage: 339.75 gals. (48"used 9")

Day 6 Date 06-27-06 Tuesday

7:00 am – Drilling @ 4000'  
Ran 21.50 hours drilling. Down 2.50 hours (.75 rig check, .75 CFS @ 4340', .25 jet, .75 connection)  
Mud properties: wt. 9.2, vis. 52  
Daily Mud Cost = \$718.94. Mud Cost to Date = \$5,171.08  
Wt. on bit: 35,000, 80 RPM, 900# pump pressure  
12 ¼" bit #1 (in @ 0' out @ 227') = 2.00 hrs - 227'  
7 7/8" bit #1 (in @ 227') = 100.75 hrs. - 4113'

Fuel usage: 377.50 gals. (38"used 10")

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MORNING DRILLING REPORT				Fax to: 316-799-2728			
Southwind Drilling, Inc. PO Box 276 112 North Main Ellinwood, KS 67526		Wellsite Geologist: Bob Schreiber 620-786-0991 (mobile) 620-653-7691 (home)		WELL NAME		HB Ranch #1	
				LOCATION		1050' FSL & 1270' FWL Sec. 25-15S-22W Trego County, KS	
Rig #1 Phone Numbers		IN USE		Palomino Petroleum, Inc. 4924 SE 84 <sup>th</sup> Newton, KS 67114 316-799-1000			
620-794-2075	Rig Cellular (Dog house)	Yes					
620-794-2078	Geologist Trailer Cellular	Yes					
620-617-7324	Tool Pusher Cellular	Yes	Doug Roberts	ELEVATION	G.L. 2412'	K.B. 2422'	API# 15-195-22366-00-00

**Driving Directions:** From Ness/Trego County Line on Hwy 147: 1 ¼ miles North, East into.

Day	7	Date	06-28-06	Wednesday	Survey @ 4400' = ¼ degree
					<u>Pipe strap = .88 long to the board</u>
					<u>DST #1 (4312'-4400')</u>
					<u>Mississippi formation</u>
					<u>Recovered 30' mud</u>

RTD = 4400'  
LTD = 4402'

7:00 am – CFS @ 4340'

Ran 2.00 hours drilling. Down 22.00 hours (.50 CFS @ 4340', 1.25 CFS @ 4360', 1.25 CFS @ 4400', 1.00 CTCH, 8.50 trips, .25 rig check, .25 rig repair, .25 survey, .25 connection, 2.00 DST #1, 1.75 wait on loggers, 4.75 log)

Mud properties: wt. 9.2, vis. 52

Daily Mud Cost = \$718.94. Total Mud Cost = \$5,890.02

Wt. on bit: 35,000, 80 RPM, 800# pump pressure

12 ¼" bit #1 (in @ 0' out @ 227') = 2.00 hrs - 227'

7 7/8" bit #1 (in @ 227') = 102.75 hrs. - 4173'

Fuel usage: 188.75 gals. (33"used 5")

Day	8	Date	06-29-06	Thursday
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7:00 am – Tripping in with bit @ 4400' (getting ready to plug)

Ran 0.00 hours drilling. Down 24.00 hours (2.50 trips, 3.50 lay down pipe, 2.75 plug, 3.25 tear down, 12.00 dry watch)

Plug well with 200 sacks of 60/40 Poz, 6% gel, ¼# floseal per sack.

1<sup>st</sup> plug @ 1800' with 25 sacks. 2<sup>nd</sup> plug @ 925' with 100 sacks. 3<sup>rd</sup> plug @ 275' with 40 sacks. 4<sup>th</sup> plug @ 40' with 10 sacks to surface. Plug rat hole with 15 sacks. Plug mouse hole with 10 sacks. Job complete @ 3:45 pm on 06-29-06 by Allied Cementing (tk #25048).

Fuel usage: 75.50 gals. (31"used 2")

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# ALLIED CEMENTING CO., INC.

25048

REMIT TO P.O. BOX 31  
RUSSELL, KANSAS 67665

SERVICE POINT:

Oak Hills

DATE 6-29-06	SEC. 25	TWP. 15S	RANGE 22W	CALLED OUT	ON LOCATION 11:00 AM	JOB START 1:00 PM	JOB FINISH 3:45 PM
LEASE HB Ranch	WELL # #1	LOCATION Oak Hills S-Center Block			COUNTY Trego	STATE KS	
OLD OR NEW (Circle one) <u>NEW</u>							

CONTRACTOR Southwind #1

TYPE OF JOB PTA

HOLE SIZE 77/8 T.D. 4400'

CASING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

DRILL PIPE 4"2 DEPTH 1800'

TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_

PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_

CEMENT LEFT IN CSG. \_\_\_\_\_

PERFS. \_\_\_\_\_

DISPLACEMENT \_\_\_\_\_

OWNER same

CEMENT AMOUNT ORDERED 200 60/40

690 50 114 26.50

COMMON	<u>120</u>	@	<u>10.65</u>	<u>1278.00</u>
POZMIX	<u>30</u>	@	<u>5.20</u>	<u>156.00</u>
GEL	<u>10</u>	@	<u>16.65</u>	<u>166.50</u>
CHLORIDE		@		
ASC		@		
<u>Classical</u>	<u>50</u>	@	<u>2.00</u>	<u>100.00</u>
HANDLING	<u>2.11</u>	@	<u>1.20</u>	<u>400.00</u>
MILEAGE	<u>.08154 x mile</u>			<u>506.40</u>
				TOTAL <u>2915.90</u>

**EQUIPMENT**

PUMP TRUCK # 191 CEMENTER TUSTY HELPER WAYNE

BULK TRUCK # 218 DRIVER Alan

BULK TRUCK # \_\_\_\_\_ DRIVER \_\_\_\_\_

**REMARKS:**

25SK @ 1800'

100SK @ 925'

40SK @ 275'

10SK @ 40'

10SK MH

15SK RH

Job complete @ 3:30 PM

Trip to Tustay

**SERVICE**

DEPTH OF JOB 1800'

PUMP TRUCK CHARGE 915.00

EXTRA FOOTAGE \_\_\_\_\_ @ \_\_\_\_\_

MILEAGE 30 @ 5.00 150.00

MANIFOLD (with 5.44) @ \_\_\_\_\_

TOTAL 965.00

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JUL 10 2006

**KCC WICHITA**

PLUG & FLOAT EQUIPMENT

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

TOTAL \_\_\_\_\_

TAX \_\_\_\_\_

TOTAL CHARGE \_\_\_\_\_

DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

CHARGE TO: Palomina Petroleum

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

To Allied Cementing Co., Inc.  
You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

SIGNATURE Ray Roberts

Ray Roberts